



STATE OF MICHIGAN

JENNIFER M. GRANHOLM
GOVERNOR

DEPARTMENT OF MANAGEMENT & BUDGET
LANSING

LISA WEBB SHARPE
DIRECTOR

February 7, 2007

Dear Sir or Madam:

Subject: State of Michigan Seeks Office Space (SR #2007-0014)

Wanted To Lease

The State of Michigan is seeking 1,200-1,400 square feet of office space. Anyone interested in offering space or seeking additional information should visit <http://www.michigan.gov/dmb-red> and select Current Projects & RFPs.

Thank you,

Ashley W. Jones III
Property Specialist, Real Estate Division

SPACE AVAILABLE PROPOSAL

Issued by Authority of Act 431 OF 1984

Department of Management and Budget
State of Michigan, Real Estate Division
P.O. Box 30026
Lansing, Michigan 48909

*This form is a **proposal only** to serve notification that the property noted below, with the building construction/remodeling, as per prints and specifications, is available for lease to the State of Michigan.*

NAME		ADDRESS OF PROPOSER (STREET)		
LEGAL ENTITY (i. e., HUSBAND/WIFE, CORP., PARTNERSHIP, LLC)		CITY	STATE	ZIP CODE
TELEPHONE NUMBER () --		FAX NUMBER : () -- EMAIL ADDRESS:		
BUILDING ADDRESS AND/OR LEGAL DESCRIPTION		TOTAL BUILDING SQ. FT. (PROVIDE DOCUMENTATION)	USABLE SQ. FT.	
		PERCENT OF BUILDING TO BE LEASED TO THE STATE? ____%		
INITIAL LEASE TERM Ten years	MONTHLY BASE RENTAL RATE (A) \$	MONTHLY OPERATING COST (B) \$	MONTHLY RENT (A+B) \$	SQ. FT. RATE \$
RENEWAL OPTION TERM Two, (2) five year	MONTHLY BASE RENTAL RATE (A) \$	MONTHLY OPERATING COST (B) \$	MONTHLY RENT (A+B) \$	SQ. FT. RATE \$
PLEASE DESCRIBE PARKING:			CURRENT STATE EQUALIZED VALUE (SUBMIT COPY OF LATEST TAX BILL FOR VERIFICATION) \$	
If applicable, indicate any of the following: <input checked="" type="checkbox"/> Moving Allowance (per square foot) \$ _____ <input checked="" type="checkbox"/> Free Rent for _____ months/years (circle one)				
<i>This is a full service lease with a standard cancellation. See the detailed Specifications included in the solicitation.</i>				
FAILURE TO RETURN THIS FORM WILL EXCLUDE YOU FROM CONSIDERATION AS A PROPOSER ON THIS PROJECT. YOUR NAME WILL REMAIN ON THE BIDDERS LIST FOR FUTURE PROJECTS.				
The State reserves the right to accept any proposal, to reject any or all proposals, and/or to waive any defects in proposals, and to award a contract, if applicable, to the proposer that will be in the best interest of the State. I/We have confirmed financing arrangements if I/we are selected by the State of Michigan to construct and/or remodel and lease to the State this Building for possession by the State of Michigan and are prepared to submit written evidence of such funding arrangements within 15 days of being selected as the successful proposer.				
THIS FORM MUST BE COMPLETELY FILLED OUT, SIGNED AND RETURNED TO THE FOLLOWING ADDRESS: Mr. Ashley W. Jones, III DMB Real Estate Division 530 West Allegan St Lansing MI 48909		PROPOSAL TO BE RECEIVED IN THIS OFFICE ON OR BEFORE: March 1, 2007		
		POSSESSION TO TAKE PLACE ON OR BEFORE: February 1, 2008		
		WHAT IS THE CURRENT ZONING?		
		DO YOU HAVE LEGAL TITLE TO PROPERTY? (circle one) YES NO (Enclose copy of Recorded Deed)		
SIGNATURE(S) OF PROPOSER		DATE		

DEFINITIONS OF TERMS FROM SPACE AVAILABLE PROPOSAL FORM

USABLE SQUARE FEET –

Measured in accordance with the most recent method of ANSI/BOMA measurement. See the American National Standards Institute, Inc., Building Owners and Managers Association Standard Method of Measuring Floor Areas (ANSI / BOMA Z65.1-1996).

MONTHLY BASE RENTAL RATE –

The portion of the monthly rental payment which is attributable to debt service and return on equity (excluding operating costs).

MONTHLY OPERATING COST –

The portion of the monthly rental payment which is attributable to operation expenses, such as utilities, maintenance, real estate taxes and/or insurance.

$$\text{Monthly Base Rental Rate} + \text{Monthly Operation Cost} = \text{Monthly Rent}$$

RENEWAL OPTION –

A lease covenant giving the State the right to extend a lease for an additional period on specified terms.

POSSESSION –

Lawful availability and physical access to install the State's furnishings and compliance with submitting a certificate of occupancy and completion of remodeling standards and specifications.

REQUEST FOR PROPOSAL

DEPARTMENT OF STATE - BEULAH

SR# 2007-0014 FEBRUARY 7, 2007

The State of Michigan ("State" or "Lessee") is evaluating its space alternatives in the Beulah area of Michigan. The Department of State intends to occupy the demised premises. Please respond to the Request for Proposal ("RFP") if you have a potential location in the geographic boundaries detailed below. If you have more than one potential location, submit only one location per proposal. Each proposal should be submitted in a sealed envelope with the proposed location clearly written on the envelope.

I. Occupancy and Space Requirements

- 1. Occupancy/Commencement Date** The Occupancy/Commencement Date for the space provided ("Premises") shall be the latest date on which the improvements to the Premises are substantially complete, the Lessor secures a Certificate of Occupancy, or the Lessee begins beneficial use of the Premises. Lessor will deliver the premises to Lessee no later than January 1, 2008. If this date is not achievable, indicate a Lease Commencement Date that is feasible. Include an estimated time frame to build out the Premises.
- 2. Space and Location** Approximately 1,200-1,400 usable square feet of office space located within the Beulah city limits.

Please verify that the Premises will be measured in accordance with 1996 BOMA Standards.

II. Financial Terms

- 1. Initial Lease Term** Please propose an initial Lease Term of ten (10) years
- 2. Rental Rate** Please state your rental rate on a full-service basis, inclusive of all operating expenses, taxes and utilities (including electricity). Also, please state your rental rate that is net of utilities and janitorial.
- 3. Escalation**
 - a. There will be no Base Year Adjustments in the

Lease. Please state any incremental annual increases in fixed amounts as opposed to using an index or percentage as the basis for changes.

b. For comparison purposes, please provide us with actual operating expenses and real estate taxes for the building for years 2005 through 2006.

4. Base Building and Tenant Improvements

Please describe in detail the delivery condition of the proposed space(s).

Lessor will be responsible for providing the Premises in a "turn key" condition in accordance with the attached specifications. Please include all allowances or contributions that Lessor proposes with respect to design costs, moving, construction and or any allowance items.

5. Moving Expenses

Please indicate a per square foot moving allowance where indicated on the Space Available Proposal form. Although a moving allowance is not required, any proposed allowance will be considered in the overall financial evaluation of the proposal.

6. Free Rent

Please indicate in space provided on the Space Available Proposal form. Although free rent is not required, any proposed free rent will be considered in the overall financial evaluation of the proposal.

7. Cancellation

All State government leases for real property, for a term in excess of one (1) year, are required to contain a cancellation provision. This is established within the framework of the 1963 Michigan Constitution. As such, the State may cancel the Lease with ninety (90) days written notice. The cancellation is also required during a renewal option if exercised, and shall be ninety (90) days written notice, with no other events required to initiate the cancellation.

8. Security Deposit

Please confirm the Lessor's agreement that no security deposit will be required of the State.

9. Brokerage

The Staubach Company (along with their subcontractors, S.J. Wisinski Company, The Bauer

Commercial Group and The Miller Group) is the sole and exclusive Broker for the State. Upon execution of a Lease, a commission will be due to The Staubach Company equal to five percent (5%) of the aggregate, full service rent obligation over the term, as escalated by fixed escalations. The commission agreement will be solely between The Staubach Company and the successful proposer. The State of Michigan shall assume no liability under the commission agreement.

III. Options and Other Lease Terms

1. Options to Renew

Please include at least two (2) consecutive rights to renew the term, each for a five (5) year period. Please outline your proposed renewal terms and notice periods.

2. Parking

The State requires twenty three (23) on-site parking spaces. Please describe the parking provided at the site, including the total number of spaces available and provide detail as to how you will meet this parking requirement.

3. Master Lease

All Leases entered into by the State of Michigan are based on the Master Lease pre-approved by the Attorney General's Office, which is enclosed with this RFP. Any exceptions being requested to this Master Lease must accompany your proposal. However, final approval of proposed exceptions must be given by the Attorney General. Exceptions to the Master Lease may have an impact on the award decision.

4. Proposal Process Overview

The proposed Lease shall not be binding or effective on either party until approved as to legal form by the Department of Attorney General and signed, witnessed and notarized as necessary by the Lessor, Lessee, Department of Management and Budget, Building Committee of the State Administrative Board and the State Administrative Board. If the proposed Lease or any subsequent amendments to it fall within the requirements of 1984 PA431, as amended, MCL 18.1101 et seq. (Management and Budget Act), the proposed Lease and any subsequent amendments to it shall

also require approval of the Joint Capital Outlay Subcommittee of the Legislature. The effective date of the proposed Lease is the date that the last State governmental approval or signature is obtained as set forth on the signature page. At any time prior to the last State governmental approval or signature, the State reserves the right to reject the proposal and terminate the Lease approval process.

IV. Building Specifications and Services

- 1. Building Plans and Building Systems** Please provide a full description of the Building, including building size and height, ceiling height, floor load capacity, column spacing, curtain, wall and window treatment, lobby size, height and finishes, indoor and outdoor landscaping, location of retail, parking location and access, and any other description materials that will allow the State to understand the quality and appearance of the Building. In the proposal, please include renderings and photographs of the Building, site location and access maps, list of other tenants and the floors leased by each tenant, brochures, and 1/8" plans or proposed floor plans as well as an electronic version of the Auto Cad drawings. This information should include a proposed floor plan for the Premises.
- 2. HVAC** Define and detail the HVAC system for the Building, as well as the costs and notice procedures for after-hours HVAC services.
- 3. Access and Security** Please state the type of security system and procedures used at the Building.
- 4. Telecommunications** Please describe the telecommunications services (fiber optics, competitive access providers, etc.) available at the Building.
- 5. Cleaning and Maintenance Services** Janitorial supplies, equipment, personnel, and supervision to provide cleaning services after 6:30 p.m. as follows in accordance with the attached standards:

Janitorial supplies shall include, but not be limited

to toilet tissue, hand soap, a means for drying hands, waxes, strippers, sealers, etc.

In addition to trash removal from office wastebaskets, dumpsters, or equivalent containers, the janitorial duties shall include the collection of recyclable materials which have been separated by the Lessee, and the placement of recyclable materials in the proper containers at the single designated storage location at the loading dock on the Premises on a weekly basis.

In the event the janitorial service provided by the Lessor is not satisfactory to the Lessee, the Lessee may provide janitorial service as described above and the Lessee's rent will then be reduced by \$1.50 per square foot.

6. Taxes, Permits and Fees

The proposer shall pay all taxes which are levied by the Federal, State or local government, on all labor and materials entering into the work. All permits and fees required for the construction and/or remodeling work are to be arranged for and paid by the proposer. It will be the responsibility of the proposer to acquire and pay for the necessary plans and specifications from their architect/engineer. The proposer shall be responsible for all necessary inspections by the architect/engineer during the construction and/or remodeling.

7. Environmental Disclosure

The Lessor covenants that he/she has undertaken a due diligence inquiry of the premises. The premises, and property on which the premises are located, are free of any toxic, hazardous or injurious substances as defined under Federal and State laws and regulations.

V. Experience and Financing

- 1. Developer**

Please provide information about the Building's ownership and management. Specifically include any other similar projects currently managed by said company. Proposers shall submit photocopy proof, **with their written proposal**, that they have legal authority to lease their property to State government (i.e. recorded warranty deed, land contract, lease indicating authority to sublease, etc.)
- 2. Financing**

Please identify the equity partners and all lenders for the Building, as well as evidence of confirmed financing for the project. Also, identify all entities that must approve or consent to the Lease.

VI. Proposal Evaluation Criteria

- 1. Proposal Evaluation Criteria**

All proposals submitted will be evaluated on the following criteria:

 - Compliance with Executive Directive 2003-22.
 - Condition of property/building, including infrastructure, HVAC, etc.
 - Parking.
 - Cost, including operating expenses, taxes, insurance, etc.
 - Prior experience/performance with State and others.
 - Special needs of agency, if any.
 - References from tenants in comparable space.
 - Accessibility (e.g. roads, public transportation, access).
 - Utilities, type available in area.
 - Barrier Free Design.
 - Ability to meet build out specifications and timelines, if any.
 - Ability to meet Leadership in Energy and Environmental Design (LEED) green building standards as set forth in attached construction specifications.
 - Customer contact information, availability, trouble calls.
 - Financial stability of company.
 - Exceptions, if any, to the State's standard

Lease.

If the selection process described in the RFP does not lead to a viable award recommendation, or significant deficiencies are identified, DMB, at its discretion, may prepare a Deficiency Report and Clarification Request (DR/CR) for each proposal determined to be in the competitive range. Proposers will be allowed to respond in writing to the DR/CR with a Best and Final Offer (BAFO). The BAFO may include any changes to the original proposal to address the listed deficiencies, including alterations to the original cost proposal to address correction of such deficiencies. BAFOs must be submitted by the deadline established by DMB.

After reviewing the BAFOs, DMB will reevaluate the proposals using the original evaluation method. If an alteration to the original published evaluation criteria is to be made, such changes in the criteria will be published to all proposers as part of the issuance of the DR/CR's.

Proposers will NOT be provided any information about other proposals or fees or where the proposer stands in relation to others at any time during the evaluation process. Any request for such information will be viewed as a compromise to the stated evaluation process and the requesting proposer may be eliminated from further consideration.

Proposers are cautioned to propose their best possible offers at the outset of the process, as there is no guarantee that any proposer will be allowed an opportunity to submit a Best and Final Offer.

The State of Michigan encourages you to utilize minority-owned and/or woman-owned business contractors or subcontractors in all construction or remodeling work. For assistance in locating and identifying certified businesses contact the Department of Civil Rights, Compliance Division, 3054 W. Grand Boulevard, Suite 3-600, Detroit, Michigan 48202, telephone number (313) 456-3700 or the Department of Transportation, Office of Small Business Liaison or Contracts Division, 3222 South Martin Luther King, Suite #2, Lansing, Michigan 48910, telephone number (517) 373-0279.

Documents to be returned by you for consideration of the proposal are:

1. Written Summary of Proposal
2. Completed Space Available Proposal form
3. Photocopy of Proof of Ownership of Property (or otherwise proof of ability to lease to State government)
4. Environmental Assessment
5. Proposed Floor Plan (You must show how the State's requirements, using State standards, will fit your proposed site).

The enclosed documents (electronic copies only) provided to assist you in establishing your rental price are:

1. Lease Boilerplate
2. Remodeling or Construction Standards and Specifications. These specifications (provided to you by the Department) are to be used in determining the cost of remodeling and construction. Please note that the "Space Available Proposal" form included with the RFP is to be filled out. The costs for remodeling or construction, if any, shall be included as part of the rent consideration in the proposal with the heading "Amortized".
3. Applicable floor plans
4. Janitorial and Recycling Standards

Additional questions concerning clarifications or specifications contained in this RFP are to be submitted by email only (please indicate the appropriate proposal in your subject line) no later than **February 16, 2007** to: DMB-RED@michigan.gov

The State will not respond to telephone inquiries or visitation by proposers or their representatives.

Answers to questions will be prepared and posted on the website at www.michigan.gov/dmb-red no later than **February 23, 2007**. Prospective proposers should check the website for any updates, questions and answers.

Please submit three (3) copies of your proposal following the above format **on or before March 1, 2007** to , State of Michigan, DMB Real Estate Division, Attention: Mr. Ashley W. Jones III, Property Specialist, P.O. Box 30026, Lansing, Michigan 48909. **We kindly request that you simultaneously email a copy of your proposal to DMB-RED@michigan.gov indicating the appropriate proposal in the subject line.**

Thank you for your cooperation and consideration of the State as a potential tenant in your building.

The submission of this RFP does not constitute an offer to lease. No agreement shall exist between Lessor and Lessee until both parties have executed and delivered a fully executed lease document. Lessee shall have no liability for any expenses incurred by Lessor in anticipation of the lease or in replying to this RFP.

Notice of award recommendation shall be made after all proposals have been analyzed. Any proposals not meeting the minimum requirements of the enclosed sample lease and instructions herein may be rejected. The State reserves the sole right to reject any or all proposals and/or waive any defects in any or all proposals. Establishment of a lease contract, if made, shall be with the proposer whose proposal, based on review of the evaluation criteria, is in the best interest of the State of Michigan.

No individual, employee or agent of the State of Michigan has authority to bind the State without proper authorization. The Department of Management and Budget Act (Public Act 431, as amended) and Executive Order 2002-20 specify that the Department of Management and Budget (DMB) is the only department authorized to enter into lease agreements, subject to obtaining all necessary approvals. It further specifies that lease agreements must be approved by the Department of Attorney General and State Administrative Board.

In accordance with the above, oral or written promises or representations made regarding a lease agreement, existing or proposed, or transmittal of written documents that have not been approved by the State Administrative Board, shall not be binding on the State. You must receive a fully executed document, signed by an authorized representative of the DMB, for an agreement to be valid.